

## Message Text

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ACTION PM-05

INFO OCT-01 EA-07 ISO-00 NSC-05 SP-02 SS-15 L-03  
CIAE-00 INR-07 NSAE-00 MC-02 ACDA-07 AID-05 IGA-02  
OMB-01 TRSE-00 H-01 /063 W  
-----062556 250920Z /17  
R 250659Z JUL 77  
FM AMEMBASSY KUALA LUMPUR  
TO SECSTATE WASHDC 8154  
SECDEF WASHDC

C O N F I D E N T I A L KUALA LUMPUR 4782

E.O. 11652: GDS  
TAGS: MASS, MY  
SUBJECT: MALAYSIAN GOVERNMENT INVESTIGATION OF IRREGULARITIES IN THE  
PURCHASE OF NORTHROP F-5'S

REF: (A) K.L. 2478 OF 4/30/76 (B) STATE 100293 4/24/76

1. OPPOSITION PARLIAMENTARIANS CONTINUE TO PRESS THE GOM  
ON ALLEGED IRREGULARITIES IN THE 1972 PURCHASE OF SIXTEEN  
NORTHROP F-5 FIGHTERS UNDER FMS CREDIT FINANCING. IN  
MARKED CONTRAST TO MARCH 31, 1976 STATE MENT TO PARLIAMENT  
BY THE DEPUTY MINISTER OF DEFENSE THAT THE SALE WAS ON A  
GOVERNMENT-TO-GOVERNMENT BASIS AND DID NOT REPEAT DID NOT  
GO THROUGH A LOCAL COMPANY CALLED SYARIKAT BUMIPUTRA FORMED  
BY POLITICALLY CONNECTED MALAYS (SEE REF. A), DEPUTY LAW  
MINISTER RAIS YATIM SAID JULY 12 THAT ARRESTS WOULD BE  
MADE AS SOON AS NATIONAL INVESTIGATION BUREAU (NBI)  
INVESTIGATIONS ON NEW DEVELOPMENTS ARE COMPLETED. RAIS'  
STATEMENT WAS MADE IN RESPONSE TO A QUESTION SUBMITTED  
BY DAP'S LEE LAM THYE. ON JULY 21, IN A WRITTEN REPLY TO  
A QUESTION FROM DAP'S LIM CHO HOCK REPORTED IN NEW STRAITS  
TIMES OF FOLLOWING DAY, PRIME MINISTER HUSSEIN STATED  
THAT THE INVESTIGATION WAS COMPLETE BUT THAT THE DELAY  
IN MAKING ARRESTS WAS "DUE TO NEW DEVELOPMENTS REQUIR-  
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ING FURTHER DETAILED INVESTIGATION". DATUK HUSSEIN ALSO  
ACKNOWLEDGED THAT THE NBI WAS LOOKING INTO  
POSSIBLE PAYOFFS IN CONNECTION WITH THE PURCHASE OF FOUR  
SPICA-M PATROL BOATS FROM SWEDEN. IN THIS LATTER CASE,  
HOWEVER, THE FACT OF IRREGULARITIES HAD NOT BEEN ESTABLISHED AND TIME  
IS NEEDED TO GET THE EVIDENCE.

2. COMMENT: LOCAL NORTHROP REP HAS REITERATED TO AIRA  
THAT U.S. HANDS ARE CLEAN IN THIS MATTER. CHURCH  
COMMITTEE REPORTS REFER TO COMMISSIONS PAID TO THE ECONOMIC  
DEVELOPMENT CORPORATION OF ZURICH FOR THE SALE TO MALAYSIA  
(SEE PP. 413,417,420,421,516-18,646,647 AND 658 OF  
REPORT). SINCE DATUK HUSSEIN AND RAIS HAVE ADMITTED THAT  
ARRESTS ARE IN THE OFFING, DAP ACCUSATIONS  
DETAILED REF A APPARENTLY HAVE SOME BASIS IN FACT.  
MILLER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MILITARY ASSISTANCE, FIGHTER AIRCRAFT, INVESTIGATINS  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Reference:** 77 STATE 100293  
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**Review Exemptions:** n/a  
**Review Media Identifier:**  
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**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MALAYSIAN GOVERNMENT INVESTIGATION OF IRREGULARITIES IN THE PURCHASE OF NORTHROP F-5'S  
**TAGS:** MASS, MY, US  
**To:** STATE DOD  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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